

BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

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**Application of CenturyTel of the Midwest-Kendall LLC  
Requesting Public Service Commission to  
Approve Alternative Regulation Plan**

**Docket**

**2815-T1-103**

CenturyTel of the Midwest-Kendall ("Kendall") hereby applies to the Public Service Commission for approval of the Alternative Regulation Plan ("Plan") attached hereto as Exhibit A under Wis. Stat. § 196.195(12). In support of this application, Kendall states as follows:

1. Kendall is a wholly-owned indirect subsidiary of CenturyTel, Inc., a holding company which owns and operates primarily rural local exchanges. CenturyTel provides local telephone service to many rural areas of the country, many of which have been viewed as less desirable by other, larger local providers. CenturyTel's objective is to enhance the quality of basic local exchange service in these areas, and to introduce advanced services to customers who would otherwise not have access to such services.
2. In 1998, Kendall acquired 19 local exchanges and 85,000 access lines from Ameritech. Before that acquisition, Kendall operated a single exchange on a traditional regulated rate of return basis. Today, Kendall operates its 20 exchanges and 94,000 access lines on that basis.
3. Telecommunications utilities were put on a path to a competitive telecommunications market by the enactment of 1993 Wisconsin Act 496 ("Act 496"). In Act 496, the legislature enacted a new regulatory model to manage the transition from regulation to competition as the primary means of delivering telecommunications services. Act 496 includes a provision to allow a telecommunications utility to file a regulatory method alternative to

traditional rate-of-return regulation. Wis. Stat. § 196.195(12). The Commission is obliged, under Wis. Stat. § 196.195(12)(b)3., to regulate telecommunications utilities “with the goal of developing alternative forms of regulation,” and “shall, by order, develop and approve an incentive regulatory plan for each telecommunications utility to implement this subsection.”

4. Currently, Kendall is operating at a revenue deficiency of about \$1.7 million. Exhibit B contains an analysis of Kendall’s current revenue requirements compared to its current rates using the Commission staff’s ECC model. As shown in Exhibit C, Kendall’s access rates are also below the Commission’s benchmark access rate. Although Kendall by law must be provided an opportunity to earn a reasonable rate of return on its net investment rate base, *Wisconsin Tel. Co. v. PSC*, 232 Wis. 274, 330, 287 N.W. 122, 130 (1939), Kendall is willing to forgo seeking a rate increase (i.e., continue to operate with a revenue deficiency), with approval of its proposed alternative regulation plan. Kendall believes that it will be able to make its revenue grow as a result of moving to the proposed alternative regulation plan.

5. The Commission in its October 31, 2001 Final Decision on Kendall’s October 23, 2000 petition for a rate increase, determined that “Kendall may not file for alternative regulation until it has completed another rate case in the future.” Final Decision at 35, *Application of CenturyTel of the Midwest-Kendall, Inc., for Rate Increase and Petition for Emergency Order for Rate Increase*, Docket No. 2815-TR-103, October 31, 2001. Kendall seeks a waiver of this requirement based on its willingness to forgo recovery of its revenue deficiencies through another rate increase with approval of the Plan.

6. The Plan articulates incentives that will help achieve Act 496’s identified goals such as promotion of competition and achievement of high quality of service standards and commitments to infrastructure investments. Wis. Stat. § 196.195(12). Specifically, the Plan

outlines the following incentives: pricing flexibility, freedom from earnings reviews, and increased pricing flexibility to respond to competition. In exchange, Kendall will be subject to quality of service standards, commitments to infrastructure investments, and commitments to competitive market measures in its serving areas.

7. In addition, the Plan contains the following measurements to be used to evaluate the Plan's effectiveness in meeting the goals: filing of price changes with the Commission, meeting with Commission staff as necessary to ensure compliance with service quality standards and infrastructure commitments, monitoring of infrastructure development, filing of annual reports, and filing of tariffs.

8. Competition has already begun in Kendall's service area, facilitated in part by already filed wholesale tariffs and in part by interconnection agreements with other providers. Resale competition includes Telephone Associates in Superior and Ashland. UNE (unbundled network element) based competitor Bayland operates in Oconto and Oconto Falls. This competition appears to account for a substantial part of the revenue deficiency that Kendall is experiencing compared with revenues estimated for Kendall during the recent rate case. One good indicator of the effect of competition is the shortfall in access lines in service. Kendall currently has 91,394 access lines (October 2002), down 3% from 94,262 access lines at the end of 2000. In the rate case, Kendall's basic local revenue was estimated by the Commission to grow at a rate of 3.75% from the base in 2000, through the 2001 and 2002 test years. A decline of 3% in contrast to two years of growth at 3.75% per year leads to a total difference of over 10% compared to 2002 test year estimates.


9. Moreover, the structure of the Plan and the statutory sections proposed for suspension in the Plan are consistent with other recently approved alternative regulation plans.

*See, e.g., Final Decision, Application of Badger Telecom, Inc., for Approval of an Alternative Regulation Plan, Docket No. 300-TI-101, February 5, 2002 and Final Decision, Application of Mid-Plains, Inc., for Approval of an Alternative Regulation Plan, Docket No. 3650-TI-107, June 28, 2002. In fact, Kendall relied specifically on these approved alternative regulation plans as models for its Plan.*

WHEREFORE, Kendall respectfully requests the Commission to approve the attached Alternative Regulation Plan.

Dated this 20<sup>th</sup> day of November, 2002.

FOLEY & LARDNER

  
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**BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN**

**Application of CenturyTel of the Midwest – Kendall, Inc. )**  
**For Approval of an Alternative Regulation Plan )**

**CenturyTel of the Midwest – Kendall (Kendall) submits the following Alternative Regulation Plan (Plan) under Wis. Stat. § 196.195(12) for approval by the Public Service Commission of Wisconsin (Commission).**

## CenturyTel of the Midwest – Kendall Alternative Regulation Plan

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## **1. Goals of Plan.**

- 1.1. Continue to embrace the evolution of a competitive telecommunications market in CenturyTel of the Midwest – Kendall's territory.
- 1.2. Provide additional pricing flexibility and other regulatory flexibility to Kendall.
- 1.3. Continue to track CenturyTel of the Midwest – Kendall's investment in the infrastructure of the network to provide its customers with a high quality network to meet their telecommunications needs.
- 1.4. Ensure that a high level of service is provided to Kendall's customers.
- 1.5. Continue to advance consumer choice and local economic development through the provisioning of services to other telecommunications service providers who can offer new and/or different services to consumers within Kendall's serving territory.
- 1.6. Foster the productivity and efficiency of Kendall's operations in a competitive market place.
- 1.7. Preserve universal service by improving Kendall's ability to deliver essential telecommunications services.

## **2. Term and Termination.**

2.1. The Plan will be effective on the 1<sup>st</sup> day of the month that is 45 days following the issuance of the Commission's final order approving the Plan (herein referred to as "effective date" or "anniversary date") unless Kendall withdraws its application within 30 days after issuance of the final order, and will continue until Kendall terminates the Plan or the Commission terminates the Plan due to Kendall's noncompliance with the Plan's terms.

2.2. Kendall can terminate this Plan at any time after the effective date by filing a letter with the Commission, which does not need the Commission's approval. Upon termination of the plan, Kendall can return to the level of regulation that it was under prior to the plan or any other form of regulation that it may so qualify for and elect. Kendall shall not be subject to an investigation of its earnings as a prerequisite to returning to prior regulation or any other form of regulation unless required by statute or rule governing the election of any other form of regulation.

2.3. Kendall may make mid-course Plan modifications and clarifications to address rate structure changes and specific unforeseen developments. Kendall shall file such midcourse modifications and clarifications with the Commission for its approval.

2.4 A Commission determination pursuant to Wis. Stat. § 196.195(2) may be made for one or more services at any time during the Plan allowing for further deregulation of a service governed under this Plan.

### **3. Classification of Services.**

3.1. Kendall's services will be classified in the following categories.

3.1.1. "Basic Local Exchange Service" is the service as set forth in Wis. Stat. § 196.01(1g).

3.1.2 "Intrastate Switched Access Services" are intrastate exchange access services that offer switched interconnections between local telephone subscribers and long distance companies, and include charges such as carrier common line, local switching, information surcharge and local transport.

3.1.3. "Other Essential Services" are the services as defined in Wis. Admin. Code § PSC 160.03(2).

3.1.4. "Other Services" are all other services which are not categorized in 3.1.1, 3.1.2 or 3.1.3 including new telecommunications services as defined in Wis. Stat. § 196.19(1m)(a).

### **4. Pricing Structure.**

#### **4.1. General**

4.1.1. Prices, terms, and conditions for services listed in 3.1.1, 3.1.2, 3.1.3 and 3.1.4 herein and in effect as of the effective date of the Plan shall be deemed just and reasonable pursuant to Wis. Stat. § 196.03(6).

4.1.2. Kendall shall continue to file tariffs for services it offers that are listed in 3.1.1, 3.1.2 and 3.1.3 to ensure compliance with the provisions under this plan, and for services listed in 3.1.4 for informational purposes only.

4.1.3. Kendall will provide supporting documentation with each price change filing when requested by Commission staff to demonstrate that the price change complies with the pricing rules. Proposed changes will be effective as specified in the tariff and will remain in effect unless the Commission determines within 60 days that the filing violates the pricing rules.

4.1.4. If Kendall bundles local exchange service with any other service (e.g., long distance, Caller ID, internet), the bundled package can be offered to all types of customers, and will be priced and regulated pursuant to 4.5.1.

## **4.2. Pricing of Basic Local Exchange Services.**

**4.2.1** Beginning on the effective date of the Plan and continuing for the life of the Plan, Kendall may adjust rates for the services listed in 3.1.1 up to the maximum allowable rate as set forth in 4.2.1.1. through 4.2.1.3 Rates may be adjusted twice a year (i.e. two times between anniversary dates).

**4.2.1.1** Kendall may increase any basic local service rate by up to 5 percent per year, if the revenue effect of that increase is offset by a decrease in one or more other rates for basic local exchange, intrastate access, or other essential services.

**4.2.1.2** Kendall may raise rates by an additional 5 percent per year, without being subject to Commission review of the increase, except as outlined in this Plan. This increase may be deferred for up to three years for a maximum of 15 percent.

**4.2.1.3** Rates may be increased by any additional amount over and above that allowed in 4.2.1.1. and 4.2.1.2 but subject to Commission review of the rate increase. The Commission may only investigate the proposed rate increase to determine if it is appropriate in light of rates charged by other carriers for comparable services taking into account calling scope, quality of service, availability of competitive alternatives, service costs, and the features available to customers.

**4.2.1.4** Kendall shall give the Commission a 60-day notice and customers a 30-day notice of rate increases.

**4.2.2** ECC rates are capped for the life of the Plan subject to (1) a showing that such rates are below TSLRIC, (2) changes in state law affecting ECC rates, or (3) a Commission decision affecting ECC rates.

**4.2.3** The portion of rates representing TEACH assessments shall continue to be governed by Wis. Stat. § 196.218, and is not controlled by or calculated as any part of any changes detailed in 4. Also, exogenous adjustments detailed in 8 are not controlled by or calculated as any part of any changes detailed in 4.

**4.2.4** As many times it so chooses each year, Kendall may decrease the price by any amount for any Basic Local Service on a 1-day prior notice filed with the Commission, as long as the rates are not below the TSLRIC price floor of providing the service. Such a decrease may cover part or all of Kendall's serving area.



- 4.2.5 Kendall may alter the rate structure (e.g., flat rate, local measured service) for any Basic Local Exchange Service on a 10-day prior notice to the Commission, provided that the preexisting rate structure continues to be offered to customers except as detailed in §4.2.5.1.

4.2.5.1. Kendall may implement non-optional measured service only after giving customers a 60-day notice with an opportunity to petition. Unless approved by the Commission, Kendall will not implement non-optional measured local service if it receives petitions from 20% of end-user customers opposing the implementation of non-optional measured local service. Other non-optional rate structure changes are permitted subject to Commission approval.

- 4.2.6. While this plan is effective, Kendall's Basic Local Exchange Service rates for residential customers shall not be more than its rates charged to small business customers with 3 access lines or less in the same exchange.

#### 4.3. Pricing of Intrastate Switched Access Services.

- 4.3.1 In all other regards except those stated within 4.3, the Commission may not review or set rates for Kendall's intrastate switched access services.

- 4.3.2. During the term of the plan, Kendall may lower its intrastate switched access services below the benchmark levels set in 05-TR-103 as long as these rates are above TSLRIC.

4.3.2.1 Kendall is not required to file TSLRIC studies with the Commission unless it chooses to do so or if requested by the Commission.

- 4.3.3. If it is determined during the term of the plan that existing intrastate switched access rates are below TSLRIC, Kendall shall increase access rates up to the TSLRIC level.

- 4.3.4. During the term of the Plan, Kendall may increase its intrastate switched access rates that are below the 05-TR-103 benchmarks if revenues from such increases are offset by revenue decreases from other intrastate switched access services.

#### 4.4. Pricing of Other Essential Services.

- 4.4.1. Beginning on the effective date of the Plan and continuing for the life of the Plan, Kendall may adjust the rates for each service listed in 3.1.3 up to the maximum allowable rate as set forth in 4.4.1.1. and 4.4.1.2., or the maximum rate approved by the Commission in waivers of percentage limitations pursuant to Wis. Stats. 196.215(2g)(b), but no higher than the maximum rate approved in

waivers of percentage limitations pursuant to Wis. Stat. § 196.215(2g)(b), if such waivers exist. Rates may be adjusted twice a year (i.e., two times between anniversary dates).

4.4.1.1. On the effective date of the Plan, the maximum allowable rate for each service listed in 3.1.3 will be set by raising the current rate by 15 percent.

4.4.1.2. On the first annual anniversary date of the Plan, the maximum allowable rate for each Other Essential Service rate element will be set by increasing by 15 percent the rate set in 4.4.1.1. On each annual anniversary date thereafter, the maximum allowable rate will be raised by 15 percent above the prior year maximum allowable rate.

4.4.1.3. Kendall shall give the Commission a 60-day notice and customers a 30-day notice of rate increases.

4.4.2. Kendall may reduce the price for any Other Essential Service on a one-day prior notice filed with the Commission.

4.4.3. Kendall may alter the rate structure for any Other Essential Service on a 10-day prior notice to the Commission, provided that the preexisting rate structure continues to be offered to customers.

#### 4.5. Pricing of Other Services.

4.5.1. Pursuant to Wis. Stat. § 196.196(3)(c), Kendall may change its prices for Other Services without any pricing restrictions. These services shall not be regulated by the Commission except that Kendall shall give customers 30 days written notice of any increase in rates for Other Services before the customer is billed at the increased rate.

### 5. Infrastructure Deployment.

5.1. Kendall will continue to improve its network infrastructure in order to ensure the availability of reliable, high quality telephone service throughout its service territory.

5.2. Kendall shall regularly assess customer needs and demands for new services and capabilities including those of competitors.

5.3. Kendall shall fund capital construction, including service improvement and network modernization, at levels adequate to meet the immediate as well as long range needs of its customers and competitors.

5.4. Kendall will meet with Staff as necessary to explain any problem areas.

6. Service Quality.

6.1 Kendall shall continue to comply with all current Commission service quality rules (Wis. Admin. Code ch. PSC 165) and any future changes to these rules. The Commission will only consider the following minimum service quality standards to ensure compliance under this Plan. For determining compliance under this Plan, the Commission shall not consider Kendall's compliance with the service quality standards in Wis. Admin. Code PSC ch. 165. The minimum service quality standards are as follows:

6.1.1 Average Time Interval for Installation

6.1.1.1 Five business days for average time interval for installation of access lines without a customer requested due date.

6.1.1.2 94 percent of access lines installed no later than the customer requested due date.

6.1.2 Regulated Trouble Index

6.1.2.1 20 annual initial trouble reports per 100 lines company-wide.

6.1.2.2 An average rate of all customer trouble reports in an exchange no greater than five per 100 access lines per month for at least 10 months in any calendar-year period.

6.1.3 Average Time Out of Service

6.1.3.1 14.56 hours for average time out of service on an average annual company level performance.

6.1.3.2 95 percent of all routine out-of-service troubles cleared within 24 hours for at least 10 months in any calendar-year period.

6.1.4 Percent Repeat Regulated Trouble Reports

6.1.4.1 15.10 percent repeat trouble reports

6.2 Kendall shall tariff and provide a service guarantee pledge for Basic Local Service to its customers. The service guarantee shall be similar to the service guarantee pledge currently tarified for other CenturyTel Wisconsin companies.

6.3 Kendall will meet with Commission Staff as necessary if it does not meet any of the minimum service quality standards in 6.1.

## **7. Competitive Commitments.**

7.1. Kendall has and will continue to allow other telecommunications providers certified by the Commission to provide service in its service territory.

7.2. Kendall will continue to make its local network available to competitors both for resale of telecommunications services at wholesale rates and interconnection of facilities and equipment upon receipt of a bonafide request from providers certified by the Commission.

7.3. Kendall will continue to offer a wholesale price list for retail telecommunications services and will continue to enter into interconnection contracts with other providers. Wholesale rates shall be based on retail services provided to end-user customers, less costs that can actually be avoided with respect to services sold at wholesale and such costs are included in the retail prices of resold services. Interconnection contracts will continue to be governed by applicable laws.

## **8. Exogenous Changes.**

8.1. With Commission approval, Kendall may adjust the prices of any service(s) due to the financial impacts of governmental actions. For purposes of this section, the term exogenous change shall mean a change in any single government mandate, rule, regulation, or statute which causes a change in Kendall total intrastate regulated revenue, expenses, or plant in service, of more than 1 percent in any twelve-month period, as compared to the base period. The base period shall be the later of the following: the twelve-month period immediately preceding the effective date of this Plan, three years prior to the proposed exogenous change, or the period covered by the last exogenous change for the same governmental actions. Such governmental actions may include, but are not limited to, the following:

8.1.1. Separations matters (involving the separation of investment, expenses, and revenues, between the intrastate and interstate jurisdictions).

8.1.2. Taxes (federal and state income taxes, and property or similar taxes).

8.1.3. Accounting rule changes.

8.1.4. Switched access revenues.

8.1.5. Expansion of EAS and ECC calling area and changes in rates.

8.1.6. Other federal, state, or local governmental activity (including legislative, judicial, and administrative events).

8.2. In such an event, Kendall may request the Commission to adjust the rates accordingly. Kendall shall give 30-day notice of the rate change to its affected customers and the Commission. The notice to the Commission shall include a description of the governmental action, the proposed adjustment to prices, the duration of the adjustment, and the estimated revenue impact of the governmental action. Kendall may request price adjustments to reflect the financial impact of governmental actions at any time under this Plan.

8.3. The Commission shall approve the request if the Commission finds that:

8.3.1. The governmental action causing the financial impact has been correctly identified.

8.3.2. The financial impact of the governmental action has been accurately quantified.

8.3.3. The proposed rates produce revenue covering only the financial impact of governmental actions.

8.3.4. The rates would be applicable to the appropriate class or classes of customers.

8.3.5. The governmental action has caused the financial impact under 8.1.

8.4. Upon complaint filed by an affected party or on the Commission's own motion, the Commission may initiate an investigation of a proposed rate change within 30 days after receiving the request. Such investigation shall be limited to the financial impact of the proposed change and not include a rate-of return analysis. If the Commission does not initiate an investigation within 30 days after receiving the request, such request shall go into effect as filed by Kendall. Within 60 days after initiating an investigation and following an opportunity for hearing, the Commission shall issue an order approving, modifying or rejecting the rate change. If a hearing is held, the time within which the commission may issue an order may be extended by 30 days. The Commission may suspend a proposed rate structure alteration or rate increase pending the issuance of the order. If the Commission does not act within 60 days (or 90 days if a hearing is held) after initiating an investigation, then the request shall go into effect as filed by Kendall.

8.5. The Commission may, on request of Kendall or another interested party, or on its own initiative, require Kendall to adjust prices for circumstances that meet the above criteria.

## **9. Educational Commitments.**

**9.1. Kendall shall comply with the federal legislation requiring the provision of services to elementary schools, secondary schools, and libraries for educational purposes at rates less than the amounts charged for similar services to other parties.**

## **10. Reporting.**

**10.1. Kendall shall annually file the necessary information to ensure compliance with all elements of the Plan on each anniversary date. Such reporting shall be for the prior calendar-year period and include:**

**10.1.1. Statement describing how Kendall has continued to maintain and improve its network infrastructure in order to ensure availability of reliable, high quality telephone service throughout its service territory and meet the immediate as well as long range needs of its customers.**

**10.1.2. Statement describing efforts in assessing customer needs and demands for new services. The statement shall be accompanied by the results of any customer survey completed in the past plan year as detailed in 5.2.**

**10.1.3. Comparative analysis of service quality standards for the prior period, showing actual performance compared to the service quality standards set forth in 6.1.**

**10.1.4. A schedule showing all credits issued to customers under Kendall service guarantee pledge in §6.2.**

## **11. Earnings Reviews.**

**11.1. While this Plan is effective, the Commission shall not undertake any earnings review of Kendall, nor shall the Commission review a rate increase except as provided in 4.2.1.3.**

## **12. Waiver of Statutes.**

**12.1. Beginning on the effective date of the Plan and during the life of the Plan, Kendall shall not be required to adhere to the following statutory provisions:**

- Wis. Stat. ch. 201, Securities of public service corporations.**
- 196.02(2), Commission's powers**
- 196.05, Public utility property; valuation; revaluation.**
- 196.12, Report by public utilities; items.**
- 196.13(2), Commission's report.**

- 196.19 (1m), (4), and (5), Publish schedules; regulations; files; joint rates. Subsections suspended relate to new telecommunications services and joint rates.
- 196.20 (except 1m), Rules on service, changes in rates.
- 196.26 Complaint by consumers; hearing; notice; order; costs, only for rates, tolls, charges or schedules pursuant to Wis. Stat ch. 196.26(4)(b).
- 196.28, Summary investigations, only for rates tolls or charges.
- 196.37, Lawful rates; reasonable service, only for rates, tolls, or charges
- 196.49, Authorization from commission before transacting business; extensions and improvements to be approved; enforcement of orders; natural gas.
- 196.604, Rebates, concessions and discriminations unlawful.

UTILITY NAME: CenturyTel of Kendall, Inc.

UTILITY #:

INPUT SCHEDULE #1 - NINE MONTHS ENDED 9/30/02 - ANNUALIZED

9 MONTHS ENDED 9/30/02 - ANNUALIZED

USING 9.87% AUTHORIZED RATE OF RETURN

Exhibit B

	Annual Report Page	Line	Amount	Annual Report Page	Line	Amount
Basic Loc Srv Rev (1)	40	1-10	26,800,502	11	28-32 (2)	28,748,097
Inter Acc Revenue (1)	40	11-13	14,220,224	11	28-32 (2)	26,456,768
Intra Acc Revenue (1)	40	14-16	8,446,578			
Ld Net Srv Rev (1)	40	17-29	563,373			
Directory Revenue (1)	40	30	3,246,201			
Miscellaneous Revenues (1)	40	31-38, 41	547,784			
Carrier Bill & Coll Rev (1)	40	39-40	1,074,662			
Uncollectible Revenues (1)	40	42-44	589,214			
Plant Specific	41	1-21	9,545,755			
Plant Nonspecific	41	22-30	3,779,955			
Depreciation-Straight Line	41	33	20,414,181			
Customer Operations	41	34-39	7,219,437			
Executive and Planning	41	42	628,076			
General and Administrative	41	45	3,618,729			
Taxes on Revenues	44	9	1,510,116			
State Income Taxes	38	1(c)	(431,345)	36	2	0
Federal Income Taxes	38	1(d)	(1,760,057)	36	2	0
ITC Restored	44	6	0	11	5	0
Plant in Service, 1/1/02	10	30	219,570,444	11	13	0
Plant in Service, 12/31/02	10	30	228,424,195	11	14-19	63,921,758
Accum Depreciation, 1/1/02	10	30				
Accum Depreciation	10	31-34	143,390,662	11	5	0
Deferred Inc Taxes	30	1(b)-8(b)	(708,577)	11	13	0
Accum Depreciation, 12/31/02	10	31-34	157,505,907	11	14-19	55,954,030
Accum Depreciation	31	1(g)-8(g)	880,223	11	2	0
RTB Class B Stock, 1/1/02	19	1	0	11	2	0
RTB Class B Stock, 12/31/02	19	1	0	36	2	0.00%
Mat and Sup, 1/1/02	10	13	4,920	(3)	(3)	6.99%
Mat and Sup, 12/31/02	10	13	4,298	(3)	(3)	0.00%
Plant Under Const. 1/1/02	10	39	2,914,967	50	23	93,034
Plant Under Const. 12/31/02	10	39	1,888,752	(4)	(4)	7.90%
A Rate	2001		7.76%	(4)	(4)	35.00%
ROE Adder from target to ceiling			0.00%	44	12	0
				8	12	4,189,659

TEST YEAR: 9 MONTHS ENDED 9/30/02 - ANNUALIZED

(1) Class A Revenues/ Class B Revenues

- (2) Less preferred stock.
- (3) Weighted cost=Page 44, lines 23-26 / average of beginning and end of year for balances on Page 11, lines 2,5,6,13,17,18, and 19.
- (4) From latest tax return, income tax liability divided by taxable income.

C:\WINDOWSTemporaryInternetFiles\OLK61F4\exhibit b financials 11-19 as filed.xls\12-2002 at 9.87%



CenturyTel of Kendall, Inc.

UTILITY #:

INPUT SCHEDULE #2 - HISTORICAL OTHER  
9 MONTHS ENDED 9/30/02 - ANNUALIZED

	Amount	Calculation of Intrastate Income Taxes:
Interstate Access Revenue (1)	0	Revenues
Carrier B&C Rev - Intrastate (2)	665,531	Expenses excl Taxes
Separations Factors: (2)		Tax on Revenues
Plant Specific	0.7339	NOI before Income Taxes
Plant Nonspecific	0.6970	Interest Expense
Depreciation-Straight Line	0.7456	Permanent Differences between b
Customer Operations	0.7437	NOI less Int Exp & perm diff
Executive and Planning	0.7366	State Income Tax
General and Administrative	0.7366	Federal Income Tax
Taxes on Revenues - Intrastate (3)	1,103,341	ITC Restored
State Income Taxes - Intrastate (2)	171,617	Amortization of Excess Deferred T
Federal Income Taxes - Intrastate (2)	700,261	Net Federal Income Tax
Separations Factors: (2)		
Plant in Service	0.7332	
Accum Depreciation	0.7373	
RTB Class B Stock	0.0000	
Mat and Sup	0.7462	
Plant Under Const.	0.7332	
ITC Restored	0.0000	
Interest Expense	0.7271	

(1) Amount should be equal to total company amount if interstate average schedule company and zero if interstate cost company.

(2) If interstate average schedule company, Carrier Billing and Collection Revenue, State Income Taxes and Federal Income Taxes should be equal to the total company amount. All separations percentages should 100%.

(3) If interstate average schedule company, amount should be equal to total company amount. If interstate cost company, utility can use formula in Cell D74 or insert actual intrastate amount.

C:\WINDOWN\Temporary Internet Files\OLK61F-A\exhibit b financials 11-19 as filed.xls\12-2002 at 9.87%

UTILITY NAME: CenturyTel of Kendall, Inc.  
 UTILITY #:  
 INPUT SCHEDULE #4 - KNOWN AND MEASURABLE REVISIONS  
 9 MONTHS ENDED 9/30/02 - ANNUALIZED

	Amount
Operating Revenues	
Basic Loc Srv Rev	0
Inter Acc Revenue	0 Inter PPA
Intra Acc Revenue	72,944 Intra PPA
Ld Net Srv Rev	(10,589) Interstate
Directory Revenue	0
Miscellaneous Revenues	(15,879) Interstate & Miscellaneous PPA
Carrier Bill & Coll Rev	0
Operating Expenses:	
Plant Specific Expense	0
Plant Nonspecific	0
Depreciation-Straight Line	0
Customer Operations	0
Executive and Planning	0
General and Administrative	0
Composite Depreciation Rate	9.25%
Plant in Service:	
Additions	0
Retirements	0
Long-term Debt Financing	-
Short-term Debt Financing	0
Long-Term Debt Interest Rate	0.00%
Short Term Debt Interest Rate	0.00%
Interest Separation %	0.7271
Plant Specific	0.7339
Plant Nonspecific	0.6970
Depreciation-Straight Line	0.7456
Customer Operations	0.7437
Executive and Planning	0.7366
General and Administrative	0.7366
Plant in Service	0.7332
Accum Depreciation	0.7373
RTB Class B Stock	0.0000
Mat and Sup	0.7462
Plant Under Const.	0.7332

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## NET OPERATING INCOME

9 MONTHS ENDED 9/30/02 - ANNUALIZED

Operating Income	Total Company		K & M Revisions	Proforma Total	Actual Jurisdiction Factors (%)	K&M Jurisdiction Factors (%)	Intrastate		Proforma Total
	Company Total						Company Total		
Operating Revenue									
Basic Loc Srv Rev	26,800,502	0	0	26,800,502			26,800,502	0	26,800,502
Intra Acc Revenue	14,220,224	0	0	14,220,224			0	0	0
Intra Acc Revenue	8,446,578	72,944	72,944	8,519,522			8,446,578	72,944	8,519,522
Ld Net Srv Rev	563,373	(10,589)	(10,589)	552,784			563,373	(10,589)	552,784
Directory Revenue	3,246,201	0	0	3,246,201			3,246,201	0	3,246,201
Miscellaneous Revenues	547,784	(15,879)	(15,879)	531,905			547,784	(15,879)	531,905
Carrier Bill & Coll Rev	1,074,662	0	0	1,074,662			665,531	0	665,531
Gross Operating Revenue	54,899,324	46,476	46,476	54,945,799			40,269,969	46,476	40,316,445
Uncoll Revenue	589,214	0	0	589,214			589,214	0	589,214
Total Operating Revenue	54,310,110	46,476	46,476	54,356,586			39,680,756	46,476	39,727,231
Operating Expenses									
Plant Specific	9,545,755	0	0	9,545,755	73.39%	73.39%	7,005,897	0	7,005,897
Plant Nonspecific	3,779,955	0	0	3,779,955	69.70%	69.70%	2,634,488	0	2,634,488
Depreciation-Straight Line	20,414,181	0	0	20,414,181	74.56%	74.56%	15,221,079	0	15,221,079
Customer Operations	7,219,437	0	0	7,219,437	74.37%	74.37%	5,369,399	0	5,369,399
Executive and Planning	628,076	0	0	628,076	73.66%	73.66%	462,620	0	462,620
General and Administrative	3,618,729	0	0	3,618,729	73.66%	73.66%	2,665,436	0	2,665,436
Subtotal	45,206,134	0	0	45,206,134			33,358,919	0	33,358,919
Taxes on Revenues	1,510,116	0	0	1,510,116			1,103,341	0	1,103,341
State Income Taxes	(431,345)	3,672	3,672	(427,674)			171,617	3,672	175,288
Federal Income Taxes	(1,760,057)	14,981	14,981	(1,745,076)			700,261	14,981	715,242
Total Oper Exp	44,524,848	18,653	18,653	44,543,501			35,334,138	18,653	35,352,791
Net Operating Income	9,785,263	27,823	27,823	9,813,085			4,346,618	27,823	4,374,441

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**NET INVESTMENT RATE BASE AND ROR**  
**9 MONTHS ENDED 9/30/02 - ANNUALIZED**

Net Investment Rate Base	Total Company		K&M Jurisdiction Factors (%)	Intrastate K & M Total
	Company Total	Revisions		
	(000)	(000)		(000)
Plant in Service, 1/1/02	219,570,444	0	73.32%	160,998,491
Plant in Service, 12/31/02	226,424,195	0	73.32%	166,023,956
Average	222,997,319	0		163,511,224
Accum Depreciation, 1/1/02	142,682,085	0	73.73%	105,199,644
Accum Depreciation, 12/31/02	158,386,130	0	73.73%	116,778,252
Average	150,534,107	0		110,988,948
Net Plant in Service-Ave	72,463,212	0		52,522,276
RTB Class B Stock, 1/1/02	0	0	0.00%	0
RTB Class B Stock, 12/31/02	0	0	0.00%	0
Average	0	0		0
Mat and Sup, 1/1/02	4,920		74.62%	3,671
Mat and Sup, 12/31/02	4,298		74.62%	3,207
Average	4,609	0		3,439
Plant Under Const. 1/1/02	2,914,967		73.32%	2,137,379
Plant Under Const. 12/31/02	1,888,752		73.32%	1,384,914
Average	2,401,860	0		1,761,147
Net Invest Rate Base-Ave	74,869,681	0		54,286,861
Return on NIRB				8.058%

CenturyTel of Kendall, Inc.  
UTILITY #:  
CAPITAL STRUCTURE  
9 MONTHS ENDED 9/30/02 - ANNUALIZED

	Total Company		Pro-forma		Percentage K&M
	Company Total	K&M Revisions	Total	Total	
	(000)	(000)	(000)	(000)	
Common Equity, 1/1/02	28,748,097			28,748,097	
Common Equity, 12/31/02	26,456,768	27,923		26,484,591	
Average	27,602,433	13,911		27,616,344	
Nonutil Investments, 1/1/02	0			0	
Nonutil Investments, 12/31/02	0			0	
Average	0	0		0	
Utility Common Equity-Ave	27,602,433	13,911		27,616,344	31.542%
Preferred Stock, 1/1/02	0			0	
Preferred Stock, 12/31/02	0			0	
Average	0	0		0	0.000%
Long-Term Debt, 1/1/02	63,921,758	0		63,921,758	
Long-Term Debt, 12/31/02	55,954,030	0		55,954,030	
Average	59,937,894	0		59,937,894	68.458%
Short-Term Debt, 1/1/02	0	0		0	
Short-Term Debt, 12/31/02	0	0		0	
Average	0	0		0	0.000%
Total Utility Capital-Ave	87,540,327	13,911		87,554,238	100.000%

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# CenturyTel of Kendall, Inc.

UTILITY #:

ROE AND ROR

9 MONTHS ENDED 9/30/02 - ANNUALIZED

	%	K&M Cost	Return
Telco ROE Ceiling 1/			15.910%
Utility Common Equity %			31.542%
Weighted Cost of Equity			5.018%
Preferred Stock	0.000%	0.000%	0.000%
Long-Term Debt	68.453%	6.990%	4.785%
Short-Term Debt	0.000%	0.000%	0.000%
Ceiling Return on NIRB			9.870%
Return on NIRB			8.058%
Return Deficiency (Excess) %			1.812%
Intrastate Rate Base			54,286,861
Earnings Deficiency (Excess)			983,673
Combined Tax Rate:			0.01094
USF Assessment			0.00239
PSCW & RELAY Assessment			0.02199
Uncollectibles			0.07621
State Income Tax			0.31097
Federal Income Tax			0.42249
Total Net Tax Rate			1.73157
Revenue Multiplier (1/1-rate)			1,703,297
Revenue Deficiency (Excess)			

1/ Telco ROE ceiling for utility common equity %.

CenturyTel of Kendall, Inc.  
 UTILITY #:  
**TIMES INTEREST COVERAGE**  
**9 MONTHS ENDED 9/30/02 - ANNUALIZED**

	K&M
Net Operating Income	4,374,441
Interest Income	0
Taxes on Interest Income	0
Income Available for Interest Coverage	4,374,441
Interest Expense	4,189,659
Interest Coverage	1.044

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Kendall, WI #162 Alt-Reg What-IF Scenario  
Economic Analysis  
October 23, 2002

	Existing (LTR)			Proposed (LTR)			WI State Benchmark (NON-LTR)			
	Demand	Price	Annual Revenue	Demand	Price	Annual Revenue	Demand	Price	Annual Revenue	Revenue Effect
<b>Carrier Common Line</b>										
CCLT - Premium	104,870,284	\$0.025000	\$2,621,757	104,870,284	\$0.030010	\$3,147,183	104,870,284	\$0.015000	\$1,573,054	(\$1,048,703)
CCLT - Nonpremium	-	N/A	\$0	-	N/A	\$0	-	\$0.008750	\$0	\$0
CCLO - Premium	73,181,545	\$0.010000	\$731,815	73,181,545	\$0.010000	\$731,815	73,181,545	\$0.010000	\$731,815	\$0
CCLO - Nonpremium	-	N/A	\$0	-	N/A	\$0	-	\$0.004500	\$0	\$0
PICC	-	N/A	\$0	-	N/A	\$0	-	N/A	\$0	\$0
<b>Total Carrier Common Line</b>			<b>\$3,353,573</b>			<b>\$3,878,999</b>			<b>\$2,304,870</b>	<b>(\$1,048,703)</b>
<b>Switched Access</b>										
EOS - Premium	177,980,001	\$0.015000	\$2,669,700	177,980,001	\$0.015000	\$2,669,700	177,980,001	\$0.019200	\$3,417,216	\$747,516
EOS - Nonpremium	-	N/A	\$0	-	N/A	\$0	-	\$0.008640	\$0	\$0
INFOSUR - Premium	1,779,504	\$0.023940	\$42,601	1,779,504	\$0.023940	\$42,601	1,779,504	\$0.013900	\$24,735	(\$17,866)
INFOSUR - Nonpremium	-	N/A	\$0	-	N/A	\$0	-	\$0.006255	\$0	\$0
<b>Transport Termination - Prem.**</b>										
Transport Facility - Prem.**	265,222,917	\$0.000480	\$127,307	265,222,917	\$0.000480	\$127,307	177,980,001	\$0.005700	\$1,014,486	\$987,179
Tandem Switching	4,777,933,308	\$0.000051	\$243,675	4,777,933,308	\$0.000051	\$243,675	3,206,271,108	\$0.000200	\$841,254	\$397,580
Common Trunk Port *	52,808,500	\$0.005320	\$280,941	52,808,500	\$0.005320	\$280,941	-	N/A	\$0	(\$280,941)
Common Multiplexing *	177,976,360	\$0.000492	\$87,564	177,976,360	\$0.000492	\$87,564	-	N/A	\$0	(\$87,564)
Entrance Facility - DS0 2 wire	49,566,772	\$0.000038	\$1,884	49,566,772	\$0.000038	\$1,884	-	N/A	\$0	(\$1,884)
Entrance Facility - DS0 4 wire	-	\$35.38	\$0	-	\$35.38	\$0	-	N/A	\$0	\$0
Entrance Facility - DS1	-	\$55.60	\$0	-	\$55.60	\$0	-	N/A	\$0	\$0
EF DS1 Transport	4	\$151.63	\$7,056	4	\$151.63	\$7,056	-	N/A	\$0	(\$7,056)
Entrance Facility - DS3	-	\$30.33	\$0	-	\$30.33	\$0	-	N/A	\$0	\$0
EF DS3 Transport	-	\$2,426.08	\$0	-	\$2,426.08	\$0	-	N/A	\$0	\$0
DTT CMT - DS0	-	\$343.69	\$0	-	\$343.69	\$0	-	N/A	\$0	\$0
DTT CMT - DS1	-	\$7.50	\$0	-	\$7.50	\$0	-	N/A	\$0	\$0
DTT CMT - DS3	44	\$50.00	\$26,183	44	\$50.00	\$26,183	-	N/A	\$0	(\$26,183)
DTT CMF - DS0	-	\$320.00	\$0	-	\$320.00	\$0	-	N/A	\$0	\$0
DTT CMF - DS1	-	\$0.30	\$0	-	\$0.30	\$0	-	N/A	\$0	\$0
DTT CMF - DS3	570	\$5.36	\$36,651	570	\$5.36	\$36,651	-	N/A	\$0	(\$36,651)
SS7 Entrance Facility	-	\$7.50	\$0	-	\$7.50	\$0	-	\$55.60	\$0	\$0
SS7 CMT	-	\$55.60	\$0	-	\$55.60	\$0	-	\$7.50	\$0	\$0
SS7 CMF	-	\$7.50	\$0	-	\$7.50	\$0	-	\$0.30	\$0	\$0
SS7 STP Port	-	\$900.00	\$0	-	\$900.00	\$0	-	\$900.00	\$0	\$0
800 DTB Query	-	\$0.011770	\$96,181	8,171,748	\$0.011770	\$96,181	8,171,748	\$0.011770	\$96,181	\$0
800 DTB Query - Ctel SSP	-	N/A	\$0	-	N/A	\$0	-	N/A	\$0	\$0
800 DTB Query - Vertical Ftr.	-	N/A	\$0	-	N/A	\$0	-	N/A	\$0	\$0
TIC	177,980,001	\$0.000000	\$0	177,980,001	\$0.000000	\$0	177,980,001	\$0.000000	\$0	\$0
<b>Total Switched Access</b>			<b>\$3,619,744</b>			<b>\$3,619,744</b>			<b>\$5,193,873</b>	<b>\$1,574,129</b>
<b>Composite CCL &amp; Switched Access Rate</b>			<b>\$0.03918</b>			<b>\$0.04213</b>			<b>\$0.04213</b>	
<b>Special Access</b>										
Chan. Termination - Metallic	1	\$35.38	\$425	1	\$35.38	\$425	1	\$35.38	\$425	\$0



Kendall, WI #162 Alt-Reg What-IF Scenario  
Economic Analysis  
October 23, 2002

	Existing (LTR)				Proposed (LTR)				WI State Benchmark (NON-LTR)			
	Demand	Price	Annual Revenue	Revenue Effect	Demand	Price	Annual Revenue	Revenue Effect	Demand	Price	Annual Revenue	Revenue Effect
Chan. Termination - DS0 2 wire	78	\$35.38	\$33,116	\$0	78	\$35.38	\$33,116	\$0	78	\$35.38	\$33,116	\$0
Chan. Termination - DS0 4 wire	92	\$55.60	\$61,382	\$0	92	\$55.60	\$61,382	\$0	92	\$55.60	\$61,382	\$0
Chan. Termination - 2.4K	-	\$88.96	\$0	\$0	-	\$88.96	\$0	\$0	-	\$88.96	\$0	\$0
Chan. Termination - 4.8K	130	\$88.96	\$138,778	\$0	130	\$88.96	\$138,778	\$0	130	\$88.96	\$138,778	\$0
Chan. Termination - 9.6K	37	\$88.96	\$39,498	\$0	37	\$88.96	\$39,498	\$0	37	\$88.96	\$39,498	\$0
Chan. Termination - 19.2K	1	\$88.96	\$1,068	\$0	1	\$88.96	\$1,068	\$0	1	\$88.96	\$1,068	\$0
Chan. Termination - 56.0K	99	\$88.96	\$105,684	\$0	99	\$88.96	\$105,684	\$0	99	\$88.96	\$105,684	\$0
Chan. Termination - 64.0K	14	\$97.86	\$16,440	\$0	14	\$97.86	\$16,440	\$0	14	\$97.86	\$16,440	\$0
Chan. Termination - DS1	225	\$151.63	\$409,401	\$0	225	\$151.63	\$409,401	\$0	225	\$151.63	\$409,401	\$0
Chan. Termination - DS1 Transport	-	\$30.33	\$0	\$0	-	\$30.33	\$0	\$0	-	\$30.33	\$0	\$0
Chan. Termination - DS1 3 Year*	2	\$165.00	\$3,960	\$0	2	\$165.00	\$3,960	\$0	2	\$165.00	\$3,960	\$0
Chan. Termination - DS1 5 Year*	4	\$165.00	\$7,920	\$0	4	\$165.00	\$7,920	\$0	4	\$165.00	\$7,920	\$0
Chan. Termination - DS3	1	\$2,426.08	\$29,113	\$0	1	\$2,426.08	\$29,113	\$0	1	\$2,426.08	\$29,113	\$0
Chan. Termination - DS3 Transport	-	\$343.69	\$0	\$0	-	\$343.69	\$0	\$0	-	\$343.69	\$0	\$0
Chan. Mileage Facility - Metallic	1	\$0.30	\$4	\$0	1	\$0.30	\$4	\$0	1	\$0.30	\$4	\$0
Chan. Mileage Facility - DS0	663	\$0.30	\$2,387	\$0	663	\$0.30	\$2,387	\$0	663	\$0.30	\$2,387	\$0
Chan. Mileage Facility - 2.4K	-	\$0.30	\$0	\$0	-	\$0.30	\$0	\$0	-	\$0.30	\$0	\$0
Chan. Mileage Facility - 4.8K	476	\$0.30	\$1,714	\$0	476	\$0.30	\$1,714	\$0	476	\$0.30	\$1,714	\$0
Chan. Mileage Facility - 9.6K	702	\$0.30	\$2,527	\$0	702	\$0.30	\$2,527	\$0	702	\$0.30	\$2,527	\$0
Chan. Mileage Facility - 19.2K	12	\$0.30	\$43	\$0	12	\$0.30	\$43	\$0	12	\$0.30	\$43	\$0
Chan. Mileage Facility - 56.0K	1,608	\$0.30	\$5,789	\$0	1,608	\$0.30	\$5,789	\$0	1,608	\$0.30	\$5,789	\$0
Chan. Mileage Facility - 64.0K	183	\$0.30	\$859	\$0	183	\$0.30	\$859	\$0	183	\$0.30	\$859	\$0
Chan. Mileage Facility - DS1	4,027	\$5.36	\$259,017	\$0	4,027	\$5.36	\$259,017	\$0	4,027	\$5.36	\$259,017	\$0
Chan. Mileage Facility - DS1 3 Year*	9	\$20.00	\$2,160	\$0	9	\$20.00	\$2,160	\$0	9	\$20.00	\$2,160	\$0
Chan. Mileage Facility - DS1 5 Year*	32	\$20.00	\$7,680	\$0	32	\$20.00	\$7,680	\$0	32	\$20.00	\$7,680	\$0
Chan. Mileage Facility - DS3	8	\$90.98	\$8,734	\$0	8	\$90.98	\$8,734	\$0	8	\$90.98	\$8,734	\$0
Chan. Mileage Termination - Metallic	1	\$7.50	\$90	\$0	1	\$7.50	\$90	\$0	1	\$7.50	\$90	\$0
Chan. Mileage Termination - DS0	214	\$7.50	\$19,260	\$0	214	\$7.50	\$19,260	\$0	214	\$7.50	\$19,260	\$0
Chan. Mileage Termination - 2.4K	-	\$7.50	\$0	\$0	-	\$7.50	\$0	\$0	-	\$7.50	\$0	\$0
Chan. Mileage Termination - 4.8K	16	\$7.50	\$1,440	\$0	16	\$7.50	\$1,440	\$0	16	\$7.50	\$1,440	\$0
Chan. Mileage Termination - 9.6K	41	\$7.50	\$3,690	\$0	41	\$7.50	\$3,690	\$0	41	\$7.50	\$3,690	\$0
Chan. Mileage Termination - 19.2K	1	\$7.50	\$90	\$0	1	\$7.50	\$90	\$0	1	\$7.50	\$90	\$0
Chan. Mileage Termination - 56.0K	103	\$7.50	\$9,270	\$0	103	\$7.50	\$9,270	\$0	103	\$7.50	\$9,270	\$0
Chan. Mileage Termination - 64.0K	16	\$7.50	\$1,440	\$0	16	\$7.50	\$1,440	\$0	16	\$7.50	\$1,440	\$0
Chan. Mileage Termination - DS1	194	\$50.00	\$116,400	\$0	194	\$50.00	\$116,400	\$0	194	\$50.00	\$116,400	\$0
Chan. Mileage Termination - DS1 3 Year*	1	\$60.00	\$720	\$0	1	\$60.00	\$720	\$0	1	\$60.00	\$720	\$0
Chan. Mileage Termination - DS1 5 Year*	3	\$105.00	\$3,780	\$0	3	\$105.00	\$3,780	\$0	3	\$105.00	\$3,780	\$0
Chan. Mileage Termination - DS3	1	\$320.00	\$3,840	\$0	1	\$320.00	\$3,840	\$0	1	\$320.00	\$3,840	\$0
Optional Features	-	\$375.00	\$0	\$0	-	\$375.00	\$0	\$0	-	\$375.00	\$0	\$0
DS3/DS1 Multiplexing	-	\$295.00	\$0	\$0	-	\$295.00	\$0	\$0	-	\$295.00	\$0	\$0
DS1 to DS0/Voice Multiplexing	-	\$6.00	\$0	\$0	-	\$6.00	\$0	\$0	-	\$6.00	\$0	\$0
VG Bridging 2-wire	-	\$6.00	\$0	\$0	-	\$6.00	\$0	\$0	-	\$6.00	\$0	\$0
VG Bridging 4-wire	6	\$13.70	\$986	\$0	6	\$13.70	\$986	\$0	6	\$13.70	\$986	\$0
Data Bridging 2-wire	-	\$6.00	\$0	\$0	-	\$6.00	\$0	\$0	-	\$6.00	\$0	\$0

Kendall, WI #162 Alt-Reg What-IF Scenario  
Economic Analysis  
October 23, 2002

Data Bridging 4-wire  
C-Conditioning  
Data Capability  
Signalling Capability  
DDS Bridging  
Imp. Return/Loss - 2 wire  
Imp. Return/Loss - 4 wire

Existing (LTR)		
Demand	Price	Annual Revenue
-	\$13.70	\$0
-	\$8.00	\$0
-	\$5.00	\$0
3	\$14.00	\$504
7	\$8.00	\$562
-	\$7.00	\$0
-	\$14.00	\$0

Total Special Access \$1,299,679

GRAND TOTAL \$8,272,995

\*Special contract rates not subject to change.  
\*\*WI State Benchmark demand adjusted for non-LTR environment.

plfloyd

Proposed (LTR)		
Demand	Price	Annual Revenue
-	\$13.70	\$0
-	\$8.00	\$0
-	\$5.00	\$0
3	\$14.00	\$504
7	\$8.00	\$562
-	\$7.00	\$0
-	\$14.00	\$0

\$1,299,679

\$8,798,421

\$525,426

WI State Benchmark (NON-LTR)		
Demand	Price	Annual Revenue
-	\$13.70	\$0
-	\$8.00	\$0
-	\$5.00	\$0
3	\$14.00	\$504
7	\$8.00	\$562
-	\$7.00	\$0
-	\$14.00	\$0

\$0

\$1,299,679

\$8,798,422

\$525,426